



January 23, 2004

SENATE BILL No. 274

DIGEST OF SB 274 (Updated January 22, 2004 12:10 pm - DI 44)

Citations Affected: IC 6-1.1.

Synopsis: Tax abatement fee. Allows a city, town, or county that grants a tax abatement to impose an annual fee on the recipient of the abatement in an amount not to exceed the lesser of: (1) 15% of the additional property taxes that would have been paid during that year without the abatement; or (2) \$100,000. Allows the designating body to terminate the abatement if the fee is not paid.

Effective: July 1, 2004.

Skillman, Hume, Jackman

January 8, 2004, read first time and referred to Committee on Finance.
January 22, 2004, amended, reported favorably — Do Pass.

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SB 274—LS 6906/DI 44+



January 23, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 274

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12.1-14 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2004]: **Sec. 14. (a) This section does not apply**
4 **to:**

5 (1) a deduction under section 3 of this chapter for property
6 located in a residentially distressed area; or

7 (2) any other deduction under section 3 or 4.5 of this chapter
8 for which a statement of benefits was approved before July 1,
9 2004.

10 (b) A property owner that has received a deduction under
11 section 3 or 4.5 of this chapter is subject to this section if the
12 designating body adopts a resolution incorporating this section for
13 the economic revitalization area in which the property owner is
14 located.

15 (c) During each year in which a property owner's property tax
16 liability is reduced by a deduction granted under this chapter, the
17 property owner shall pay to the county treasurer a fee in an

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1 amount determined by the county auditor. The county auditor
 2 shall determine the amount of the fee to be paid by the property
 3 owner according to the following formula:

4 **STEP ONE:** Determine the additional amount of property
 5 taxes that would have been paid by the property owner during
 6 the year if the deduction had not been in effect.

7 **STEP TWO:** Multiply the amount determined under STEP
 8 ONE by a percentage specified by the designating body in the
 9 resolution adopted under subsection (b), which may not
 10 exceed fifteen percent (15%).

11 **STEP THREE:** Determine the lesser of the STEP TWO
 12 product or one hundred thousand dollars (\$100,000).

13 (d) Fees collected under this section must be distributed to one
 14 (1) or more public or nonprofit entities established to promote
 15 economic development within the corporate limits of the city, town,
 16 or county served by the designating body. The designating body
 17 shall notify the county treasurer of the entities that are to receive
 18 distributions under this section and the relative proportions of
 19 those distributions. The county treasurer shall distribute fees
 20 collected under this section in accordance with the designating
 21 body's instructions.

22 (e) If the designating body determines that a property owner has
 23 not paid a fee imposed under this section, the designating body may
 24 adopt a resolution terminating the property owner's deduction
 25 under section 3 or 4.5 of this chapter. If the designating body
 26 adopts such a resolution, the deduction does not apply to the next
 27 installment of property taxes owed by the property owner or to any
 28 subsequent installment of property taxes.

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SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Senate Bill 274.

SKILLMAN

SENATE MOTION

Madam President: I move that Senator Jackman be added as coauthor of Senate Bill 274.

SKILLMAN

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COMMITTEE REPORT

Madam President: The Senate Committee on Finance, to which was referred Senate Bill No. 274, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 10 and 11, begin a new line block indented and insert:

"STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars (\$100,000)."

Page 2, line 12, delete "private entities that" and insert "**nonprofit entities established to**".

and when so amended that said bill do pass.

(Reference is to SB 274 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 2.

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